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Hospitality figures speak out in favour of zero hour employment contracts

By Ellie Bothwell, 31-Jul-2013

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Abolishing zero hours employment contracts would have a negative impact on the hospitality industry – that's the view of leading hospitality figures in light of business secretary Vince Cable's plan to review the use of unfixed hours across all sectors.

Martin Couchman, deputy chief executive of the British Hospitality Association, said flexible hours are needed in the industry and he is "not sure the review is necessary".

"The government has obviously been under pressure by trade unions, but as far as this industry is concerned it needs flexible hours because the demands vary," he said.

"I'm not sure what conclusion the government can reach because they can't say everyone must have fixed hours. Clearly that just isn't going to happen and indeed it would squeeze people out of the jobs market whose skills are more marginal."

He added that roughly half of the 7m people who work in hospitality are part-time and a large proportion of these will not have fixed hours.

He said the government will find it difficult to find out the exact agreements employees are under, adding that zero hour contracts are mutually beneficial to both parties.

"There are two types of zero hours contracts. There are the ones where there is absolutely no mutuality of obligation. Employers aren't obliged to offer work and employees aren't obliged to accept it. Then there's another situation which is much less common where there is a contractual agreement so if an employer rings you up you must turn up.

"The latter is what a lot of the discussion has been about, but actually it's quite rare and when it does happen there's a bargain there. Employees get redundancy rates and sick pay and all the other benefits providing you can promise you will be there if needed.

"If people want full time work in this industry, well, then there's plenty of full time work available. If people have a day job and they want evening work, if that's what's available then people are always free to say no."

Business flexibility

Peter Flaxman, director of Solutions 4 Caterers hospitality consultancy, agreed that zero hour contracts provide flexibility in a seasonal industry and allow employers to manage wages in line with fluctuating business levels.

"What this means for businesses in the current economic climate is that they have a better chance of success, whilst also having the opportunity to create more jobs when needed," he said.

"While it is of course vital that employees are treated fairly, it is worth remembering that employees on zero hours contracts do have the option to take up other types of employment offering more regular hours. Zero hours contracts can also help them to work around other commitments."

The government is examining the extent of the use and abuse of zero hour contracts before a potential call for evidence, after fears were raised that workers are being treated unfairly.

According to the Office for National Statistics, 23% of Britain's major employers recruited workers on zero hours contracts in 2011, compared with 11% in 2005 and the contracts are particularly popular in the retail and catering sectors.

Unjustified practice

Many key industry figures have previously criticised the contracts for exploiting workers and potentially deterring young people from pursuing a career in the pub trade. In June, Keith Knowles, chairman of the Perceptions Group and CEO of Beds & Bars, told the *Publican's Morning Advertiser* that there was "no justification" for the contracts and he had banned the practice in his company .

Commenting on the defences for the contracts, Trade Union Congress (TUC) general secretary Frances O'Grady said: "People employed on zero hours contracts, even it is just for seasonal work, can never be sure how many hours they'll get, how much money will end up in their pay packet and often aren't given any help with travel expenses. This can place a real strain on their finances and can make organising childcare a logistical nightmare.

"The government is right to be reviewing the rise in zero hours contracts and should not be afraid of taking tough action if they are being misused. People deserve to be employed on decent wages and conditions, not on the cheap."

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